

MINUTES OF  
THE RHODE ISLAND INDUSTRIAL – RECREATIONAL BUILDING AUTHORITY

December 23, 2010 (#458)

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the **RHODE ISLAND INDUSTRIAL – RECREATIONAL BUILDING AUTHORITY** (the “Authority”) was held in public session and executive session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on December 23, 2010 at approximately 9:32 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by Rhode Island General Law 42-46-6.

PRESENT:                Frank R. Benell, Chairperson  
                              Frances H. Gammell-Roach, Vice Chairperson  
                              Michael S. Imbruglia, Member

ABSENT:                NONE

ALSO PRESENT:      Earl F. Queenan, Jr., Manager  
                              Sean W. Esten, Loan Portfolio Manager  
                              Steven R. Noack, Financial Portfolio Manager  
                              Stacy Farrell, RIEDC Staff  
                              Thomas V. Moses, Legal Counsel, Moses & Afonso, Ltd.  
                              Paul Harley, Moses & Afonso, Ltd.  
                              Norm Benoit, Esquire, attorney for Oliver Hazard Perry Rhode Island, Inc.  
                              Bart Dunbar, Oliver Hazard Perry Rhode Island, Inc.  
                              Kim McCarthy, Oliver Hazard Perry Rhode Island, Inc.  
                              Eric Williams, Oliver Hazard Perry Rhode Island, Inc.  
                              Evan Smith, President & CEO, Newport County Convention & Visitors  
                              Bureau, on behalf of Oliver Hazard Perry Rhode Island, Inc.  
                              Tom Goddard, Oliver Hazard Perry Rhode Island, Inc.  
                              Dave Guertin, Oliver Hazard Perry Rhode Island, Inc.

Chairman Benell presided over the meeting.

**1. Call to Order.**

Mr. Bennell called the meeting to order at 9:32 a.m.

**2. Approval of the Public and Executive Session Minutes of the Meeting Held on November 19, 2010.**

Mr. Benell presented the Public Session Minutes and the Executive Session Minutes of the Meeting of November 19, 2010. A motion was duly made by Mr. Imbruglia, was seconded by Mrs. Gammell-Roach, and was unanimously carried to accept the Public Session and the Executive Session Minutes, each as presented. A roll call vote was taken:

Mr. Benell – aye  
Mr. Imbruglia– aye  
Mrs. Gammell-Roach – aye

**3. Maintain the Executive Session Minutes of November 19, 2010 Confidential.**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on November 19, 2010. A motion was duly made by Mrs. Gammell-Roach, was seconded by Mr. Imbruglia, and was unanimously carried to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on November 19, 2010. A roll call vote was taken:

Mr. Benell – aye  
Mr. Imbruglia– aye  
Mrs. Gammell-Roach – aye

**4. Review and Accept the Internally Prepared Financial Statements for the Period Ending November 30, 2010.**

Mr. Queenan presented the internally prepared financial statements for the period ending November 30, 2010 and answered questions from the Board. Mr. Queenan also informed the Board that on December 6, 2010 the Authority sold the real property located at 222 Goldstein Drive, Woonsocket, Rhode Island to Impreglon, Inc. for \$680,000.00. There being no further discussion, a motion was duly made by Mr. Imbruglia, was seconded by Mrs. Gammell-Roach, and was unanimously carried to accept the internally prepared financial statements for the period ending November 30, 2010. A roll call vote was taken:

Mr. Benell – aye  
Mr. Imbruglia– aye  
Mrs. Gammell-Roach – aye

**5. Discuss and Approve the Amendment of the Authority's Bylaws.**

Mr. Esten presented the proposed amendments to the Authority's Bylaws. In particular, Mr. Esten advised the Board that the changes would allow the Authority to forward meeting packages to the Board via electronic mail. There being no further discussion, a motion was duly made by Mr. Imbruglia, was seconded by Mrs. Gammell-Roach, and was unanimously carried to approve and accept the amendments to the Authority's Bylaws. A roll call vote was taken:

Mr. Benell – aye  
Mr. Imbruglia – aye  
Mrs. Gammell-Roach – aye

**6. Other Business.**

(a) Mr. Moses briefly discussed the Ener-tek International, Inc. ("Ener-tek") resolution ("Resolution") and requested that the Board approve the revision of Section 14 of the Resolution. Specifically, Mr. Moses requested that the Resolution be amended to include the requirement that prior to the closing of the Ener-tek transaction, Ener-tek shall have obtained a temporary certificate of occupancy from the Town of East Greenwich, Rhode Island and completed all conditions set forth therein no less than 180 days thereafter. There being no further discussion, a motion was duly made by Mr. Imbruglia, was seconded by Mrs. Gammell-Roach, and was unanimously carried to accept and approve the revision of Section 14 of the Resolution. A roll call vote was taken:

Mr. Benell – aye  
Mr. Imbruglia – aye  
Mrs. Gammell-Roach – aye

(b) Prior to moving to executive session, Mr. Moses invited representatives of the Oliver Hazard Perry Rhode Island, Inc. ("OHP") project to appear before the Board. Mr. Norm Benoit, an attorney representing OHP, provided a review of his December 13, 2010 *Petition for Declaratory Ruling* to the Authority. In particular, Mr. Benoit opined to the Board that the OHP project is a "recreational project" for which the Authority has the legal authority to provide mortgage insurance pursuant to Chapter 42-34 of the Rhode Island General Laws ("Act"); that the wording of the Act permits recreational projects that are not land based; and that the wording of the Act permits the Authority to insure mortgages on ships.

Mr. Benoit thereafter requested that Mr. Bart Dunbar, President of OHP, provide a brief presentation to the Board regarding the status of the OHP project. Mr. Dunbar accordingly provided a summary of the project and stated that the completed OHP ship would be a licensed United States Coast Guard vessel. Mr. Dunbar added that the OHP ship would be located 5 months of the year in Rhode Island. Mr. Dunbar thereafter requested that Mr. Evan Smith, President and CEO of the Newport County Convention & Visitors Bureau ("NCCVB"), address the Board. Mr. Smith advised the Board of his work with Newport area tourism and provided his support, on behalf of the NCCVB, of the OHP project.

Following the OHP presentation, Mr. Moses requested further clarification from Mr. Dunbar regarding the expected location of the vessel throughout a normal calendar year. Mr. Dunbar advised the Board that the vessel was expected to be in Rhode Island 5 months of the year and in the Caribbean for the remainder of the year. Mr. Dunbar further stated that the OHP project was attempting to “attach” the vessel to a Rhode Island based institution.

There being no further questions, Mr. Moses thanked the representatives of OHP for appearing before the Board and advised the group that the Board would be discussing this matter in executive session.

Authority staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

## **7. Executive Session**

Mr. Benell suggested that the Board move into executive session. Upon motion duly made by Mr. Imbruglia and seconded by Mrs. Gammell-Roach, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted. A roll call vote was taken:

Mr. Benell – aye

Mr. Imbruglia– aye

Mrs. Gammell-Roach – aye

Public session concluded and executive session began at 9:55 a.m.

## **8. Adjournment**

The meeting was reconvened from Executive Session to Public Session at 10:22 a.m. Mr. Moses presented the following summary of the motions presented and adopted by the Board in Executive Session:

**(a) RESOLVED** that the Board hereby authorizes the assumption by Technic Inc. and release of Henry Birks & Sons U.S., Inc. (n/k/a Cash, Gold & Silver USA) regarding the \$1,300,000 Tax-Exempt Economic Development Revenue Bond currently held by Scojen Limited Partnership regarding the real property owned by the Rhode Island Industrial Facilities Corporation and leased to Henry Birks & Sons U.S., Inc. (n/k/a Cash, Gold & Silver USA), a Delaware corporation, such real property located in Woonsocket, Rhode Island and identified by the Woonsocket Tax Assessor as Lot 86, Plat 56.

**(b) RESOLVED** that the Board, in considering whether the project presented by Oliver Hazard Perry Rhode Island, Inc. (“OHPRI”) is a “recreational project” under Chapter 42-34 of the Rhode Island General Laws, has determined that the OHPRI project is

not a qualified recreational project since it is not land based nor is it a Rhode Island only project.

There being no further business to come before the Board, upon motion duly made by Mrs. Gammell-Roach, was seconded by Mr. Imbruglia, the Board unanimously voted to adjourn the meeting. A roll call vote followed:

Mr. Benell – aye

Mr. Imbruglia– aye

Mrs. Gammell-Roach – aye

The meeting was adjourned at 10:25 a.m.

Respectfully submitted,

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Earl F. Queenan, Jr., Manager

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